

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7538

BILL NUMBER: HB 1924

NOTE PREPARED: Jan 11, 2003

BILL AMENDED:

SUBJECT: Electronic Bingo Aids.

FIRST AUTHOR: Rep. Adams

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ GENERAL
☒ DEDICATED
☐ FEDERAL

IMPACT: State

Summary of Legislation: The bill authorizes the use of electronic bingo aids.

Effective Date: July 1, 2003.

Explanation of State Expenditures: In addition to existing charity gaming responsibilities, the Department of State Revenue (DOR) would be responsible for regulating the distribution and use of electronic bingo aids within the state. Any cost relating to these responsibilities presumably could be absorbed given the DOR's existing budget and resources.

Explanation of State Revenues: The bill could lead to an increase in revenue from the Annual Bingo License fee, if widespread use of electronic bingo aids increases bingo play and, thus, gross revenue earned by licensed organizations. The extent of the increase is, however, indeterminable. An increase in gross revenue from bingo could occur as bingo players using the devices are able to play more bingo cards than otherwise or the use of the devices attracts new bingo players.

Background: The bill permits an individual to utilize an *electronic bingo aid* while participating in bingo games operated by charitable organizations licensed to conduct bingo. The bill allows an electronic bingo aid to be used by a person to monitor his or her bingo cards, boards, pads, or sheets. It also specifies that an electronic bingo aid: (1) allow a player to input numbers and letters announced by a bingo caller; (2) compare the numbers and letters entered by the player to the bingo faces stored in the memory of the device; and (3) identifies a winning bingo pattern. The bill also provides for the DOR to license, and charge a license fee to, entities that sell, distribute, or manufacture electronic bingo aids in Indiana.

Reportedly, electronic bingo aids are programmable devices that range from handheld models costing about \$10 to laptop and desktop models costing several hundred dollars. When a player chooses to use one of these devices, the bingo cards purchased by the player are programmed into the device. When numbers are called during a bingo game, the player simply key punches the number into the device and the device monitors the play on all of the player's cards for that game. The organizations operating bingo, not the players themselves, would presumably own or possess the electronic bingo aids. Charity gaming officials in New York and Colorado, where electronic bingo aids have been authorized, indicated that the devices were being used on a small scale basis before being specifically authorized by statute. They also indicate that the primary impetus for allowing use of the devices was the potential for increasing the number of bingo cards played per individual player. These officials also suggest that the devices may attract new players to charity bingo games.

In FY 2002, 581 annual bingo licenses were issued by the DOR resulting in about \$3.5 M in license fees. Charity gaming license fees, including the fee for the Annual Bingo License is based on the total gross revenue earned from charity gaming by a licensed organization. The license fee can range from \$25 for organizations with less than \$15,000 in charity gaming gross revenue to \$25,000 for organizations with at least \$3.0 M in charity gaming gross revenue. In FY 2002, bingo games resulted in approximately \$495.0 M in gross revenue, with expenses totaling about \$444.7 M. The net proceeds retained by the organizations with an annual license to conduct bingo games totaled about \$50.3 M. Businesses that manufacture, distribute, or sell charity gaming devices to organizations within the state must obtain a manufacturer's or distributor's license. The manufacturer's license fee is \$3,000 annually, and the distributor's license fee is \$2,000 annually. In FY 2002, 14 manufacturer's licenses and 58 distributor's licenses were issued by the DOR resulting in \$158,000 in revenue. License fee revenue is deposited in the Charity Gaming Enforcement Fund to pay the charity gaming administrative costs incurred by the DOR. Revenue remaining in the Fund after payment of administrative costs is distributed quarterly to the Build Indiana Fund.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of State Revenue.

Local Agencies Affected:

Information Sources: Stacey Clifton & Mark Stewart, New York Racing and Gaming Board, (518) 453-8460 (x3311). Jim Wiig, Colorado Secretary of State's Office, (303) 894-2200. *Charity Gaming Annual Report, FY 2002*, Department of State Revenue.

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